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S E C R E T SECTION 01 OF 07 RIYADH 008416

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NSC PASS TO TODD HINNEN

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TAGS: [EFIN](#) [PTER](#) [KTFN](#) [ETTC](#) [CVIS](#) [PGOV](#) [PREL](#) [SA](#)
SUBJECT: SCENESETTER: APHSCT TOWNSEND VISIT TO SAUDI
ARABIA, 4-7 NOVEMBER 2006

REF: A. RIYADH 8395
[1](#)B. RIYADH 8401
[1](#)C. RIYADH 8404
[1](#)D. RIYADH 8406
[1](#)E. RIYADH 8407
[1](#)F. RIYADH 8314

Classified By: AMBASSADOR JAMES OBERWETTER FOR REASONS 1.4 (B), (D), AND (G).

[1](#)1. (S) Ambassador Oberwetter and the entire US Mission in Saudi Arabia warmly welcomes your visit to Riyadh. Your visit to the Kingdom comes in the general context of improving U.S.-SAG relations. Saudi leaders have warmly welcomed a large number of senior USG visitors recently, and have confirmed the strength of the bilateral relationship, including during regular consultations that occur under the auspices of the Strategic Dialogue.

[1](#)2. (S) Counterterrorism cooperation remains strong and effective, though we need to continue urging the government to take more counterterrorism finance measures. Internally, while the stream of threat intelligence continues, no bomb has gone off since the February 24 attack on the Abqaiq oil facility. Between 40 to 60 terrorists have been killed, arrested or detained this year. The SAG seeks US assistance on energy infrastructure protection and border security. State's Diplomatic Security sent an assessment team in July to key oil infrastructure sites, leading possibly to a long-term partnership that would enhance international energy security.

[1](#)3. (S) On counterterrorist financing, the SAG froze the assets and took away the passport of Mr. al-Mua'jjil, the director of the IIRO's Eastern Province branch. The branch is under investigation and temporarily closed. However, the government has done nothing to establish a National Commission for the Relief and Charitable Work Abroad, nor issued cash declaration forms, despite our raising both repeatedly.

[1](#)4. (S) The Saudi leadership acknowledges privately that the war on terrorism will not be won for many years. They recognize that it is as much a campaign of ideas and education as it is a military and law enforcement offensive. The Government continues an ambitious media and public education campaign to dissuade Saudis, particularly the young, against the extremist message. However, intolerant language remains in Saudi textbooks and youth are still exposed to extremist ideologies through summer camps, in the

mosques and in the media.

IIRO

¶5. (S/NF) The IIRO Eastern Province branch has temporarily closed its offices pending an ongoing MOI investigation. The MOI informed U.S. intelligence sources that on approximately July 10, 2006 Al-Mua'jjil's bank accounts were frozen and travel restrictions were placed on him. According to the MOI, the SAG does not have enough evidence to arrest or detain him at this point in time. Other than freezing Al-Mua'jjil's bank accounts and restricting his travel, the SAG does not plan further actions.

AL HARAMAIN ISLAMIC FOUNDATION

¶6. (C) Suliman Al-Buthe, designated to the UN in 2004 for ties to Al Haramain, has worked for the Riyadh Municipality, Department of Gardens and Beautification, for over twenty years and has control of its finances. Following his 1267 designation, the SAG has promoted Al-Buthe twice. Currently Al-Buthe oversees a USD \$8 million project for a sporting complex in Riyadh. In 2004, the SAG enforced UNSCR 1267 sanctions by freezing Al-Buthe's assets and forcing him to turn in his passports. However, the SAG pays his salary in cash and is paying for the schooling of his three children in Riyadh. In addition to working for the SAG, Al-Buthe has an import/export business in Riyadh with his brother, who is a textbook publisher. According to intelligence sources, the

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SAG may have provided at least two radical clerics with government employment to keep a watchful eye on them. The SAG may claim that employing Al-Buthe is a way of monitoring and controlling him, but we wonder if this treatment fully complies with the UN sanctions.

¶7. (S/NF) In 2004, the SAG shut down Al Haramain's operations in the Kingdom. Subsequently, Al Haramain has re-emerged worldwide under multiple names. Single source reporting indicates Al Haramain was renamed/replaced by Dar al-Salaam, and has transferred funds to an NGO in Nigeria, where the funds were diverted to militant groups for the purchase of weapons and to disrupt oil production in Nigeria.

Dar al-Salaam, according to the same source, sent funds to Al-Ittihad al-Islamin (AIAI) in August 2006. One Dar al-Salaam senior official was reported to be former Al Haramain Director, Sheikh Sa'id bin Wahf al-Qahtani. Dar al-Salaam also provided Hassan Dahir Aweys, leader of the Islamic Courts Union in Somalia and an AIAI Colonel with multiple ties to Al-Qa'ida, with over USD \$200,000 from February-April 2006.

CHARITIES COMMISSION

¶8. (S) The SAG has not set up the Charities Commission, despite undertakings made to you during your meetings in June. We have raised this issue several times in recent months, and the Ministry of Foreign Affairs refers to the difficulty in combining Shar'ia law, Zakat, and Western legal principles. This legal review has already taken approximately one year.

CASH COURIERS

¶9. (C) Cross-border movements of cash are monitored by the Saudi Arabia Directorate of Customs. Regulations concerning funds movements are issued by the Saudi Arabian Monetary

Agency (SAMA). SAG regulations require individuals carrying funds in excess of SAR 100,000 (USD \$26,667) to declare the funds to Saudi customs officials upon entering the Kingdom. According to customs officials, Saudi Arabia currently has no active exit declaration policy for travelers. The SAG plans to implement a cash export restriction of \$16,000. At present, we believe Saudi financiers of external terrorist/extremist groups may personally carry cash outside of Saudi Arabia into banking or hawala centers such as Manama and Dubai. The evidence that terrorist financiers here rarely resort to bank transfers, a more efficient means of moving money than cash couriers, may indicate that SAMA's regulation of banks is effective.

THE SA FIU

¶10. (U) In September, FinCen's MENA regional expert conducted an in-depth on-site assessment of the SA FIU (see Embassy reports of his meetings at refs b-e). The Saudis provided complete access to the SA FIU, the Bureau of Investigation and Prosecution (BIP), SAMA's bank compliance officers, the MOI'S Public Security Agency (PSA), and the Mabathith. We await FinCen's recommendation as to whether the USG can sponsor the SA FIU's accession to the Egmont Group. Embassy's evaluation is that the SA FIU is not yet a fully functioning financial investigative/intelligence unit. Rather it is more of an information warehouse that passes on the investigative and analytical work to the MOI or the BIP. Recently, the SA FIU has removed Director Dr. Saud Al-Murished; we do not yet know who will replace him.

JTFTF

¶11. (S) The JTFTF meets with its Mabathith and SA FIU liaison contacts typically on a bi-weekly basis. Since June 2006, the JTFTF, through its FBI representative, has made approximately 24 requests for investigative or intelligence information. The Mabathith has provided approximately 14 responses to requests, many of which predated June 2006.

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There are at least 7 instances where the Mabathith failed to respond after two or three requests for information. The Mabathith has proactively provided information to the JTFTF on a limited basis. The FBI has issued two intelligence reports (IIRs) and initiated one full counterterrorism investigation based on Mabathith results. The BPM representative has passed numerous requests for information, most of which are duplicate requests made through other channels.

¶12. (S) The Ambassador is concerned that the mission of the JTFTF may be drifting. Saudi participation may be too low level for effective information exchanges, let alone actual joint operations. The FBI's Terrorist Financing Operations Section Chief, Michael Morehart, visited the Kingdom September 12-13, to review the JTFTF's progress; we in Mission Riyadh are anxious to learn of his recommendations for revitalizing the JTFTF.

RADICAL IDEOLOGUE INITIATIVE

¶13. (S/NF) Post understands that this Initiative would aim to deter radical ideological support for terrorists, by ensuring some of its headline exponents (who are also financing or otherwise facilitating terrorists) are sanctioned by the UN Committee. But a public affairs posture that stresses the ideological support, rather than the evidence of financing or recruiting that is unquestionably sanctionable, could play into the hands of the extremist preachers here.

¶14. (S/NF) The SAG has an ongoing program to deter radical

clerics from their radical preaching and teachings in the Kingdom, which the SAG sees as successful. This program has three goals: 1) to monitor radical clerics; 2) co-opt radical clerics; and 3) remove the clerics deemed to be un-cooperative. Our initiative should be closely coordinated with the Saudis, especially when it comes to designating Saudi individuals. We fully support prioritizing extremist imams and inciters of terrorism, who also qualify for designation under the UNSCR 1217, as long as we closely coordinate through liaison channels with the SAG and coordinate with post on the public affairs aspects of this designation.

COMBATING EXTREMISM

¶15. (C) During King Abdullah,s national tour in June, he delivered a speech on tolerance to 70,000 people in the Qassim region that was widely seen as a rejection of calls by religious conservatives to slow down the reform process. This speech appears to have curbed the increasingly aggressive and open "counter-reformation" movement among certain conservative media and religious circles. Since June, there have been no open letters to the government relating to domestic religious policies. However, the undercurrent remains very strong, and the downplay of publicity is more likely due to the summer holidays, focus on the Lebanon crisis, and Ramadan rather than a decrease in extremist attitudes.

¶16. (S) One of the SAG,s policies to combat extremism is to ensure that the imams preach messages of tolerance and peace, not of violence and extremism. To this end, the Ministry of Islamic Affairs continued with its imam training and monitoring programs. The media reported in late September that 2,160 imams had been identified as having delivered intolerant sermons and sent for refresher training. Additionally, 2,000 imams were reportedly relieved of their duties due to their extremist preaching. This training and the dismissals follow thousands of others during the course of the year. Despite this progress, there were reports that extremist lecturers taught youth during the summer camps hosted by Islamic charities despite strict regulation by the Ministry of Islamic Affairs and other SAG ministries. The charities claimed that their lecturers were pre-screened and pre-approved by the SAG, but that these types of lectures can still occur.

¶17. (U) The SAG also engages in re-education programs for Guantanamo returnees, as well as youths returning from Iraq

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or caught trying to go to Iraq to pursue extremist actions there. These government-funded programs attempt to re-engage the individuals in a religiously positive manner. The programs are for a limited time, after which the individual is free to seek employment, marriage, etc. as a productive member of society. Additionally, psychological services are often provided. When the individuals are youths, their family members are engaged to assist in the re-education process. The re-education programs became popular quickly, particularly near border areas, and the media frequently reports on stories of families calling the SAG to assist them with their problem children.

TEXTBOOKS

¶18. (S/NF) In June 2006, the SAG estimated that it would take another one to two years to review and revise Saudi textbooks containing intolerant language that are distributed outside the Kingdom. An April 2006 INR-contracted report, based on Embassy collection of dozens of 2003 Saudi textbooks, indicated intolerant language. A May 2006 Freedom

House report based on 2005 textbooks also found that Saudi textbooks continued to carry intolerant language. A recent report cited Prince Turki and Adel al-Jubair's worries that recent textbooks are not an improvement.

¶19. (S/NF) Post continues to engage with SAG officials on this issue, most recently on October 9 with the MFA (ref a). We seek to obtain copies of current textbooks to conduct our own assessment of current textbooks. While we were reassured that the SAG sees this as an important issue, we have yet to receive copies of these textbooks. We also continue to press the SAG to be transparent with us about education reform and encourage them to be forthright with NGOs, seeking more information about their education reform efforts.

FOREIGN FIGHTERS

¶20. (S/NF) Saudi Arabia remains a major source of foreign fighters and ideological support to insurgents in Iraq. Foreign fighters, including Saudis, typically carry enough cash on their persons to pay for their travel and documentation for entry into Iraq.

BORDER PROTECTION

¶21. (S/NF) Border control remains a high priority for the SAG. Saudi leaders continue to be concerned about the porous border with Yemen and the potential for insurgents from Iraq to cross into the Kingdom. There are four initiatives at different stages of development.

-- The Government announced on September 26 that it would require five to six years to complete the construction of an "Iraqi border fence," complete with electronic sensing technology, that is estimated to cost USD 12 billion.

-- Another measure is the Border Guard Modernization Program, an MOI initiative to cover all of the Kingdom's borders. It will also employ a broad range of state-of-the-art technological tools that will be employed from orbital (satellite), airborne, seaborne, and ground based platforms. In addition to the security concerns centered on the border with Iraq, this system will also address the mounting illegal immigration and the trafficking of contraband through the border with Yemen and across the Red Sea.

-- The Mega-Ports program, which was well received by the SAG during a visit here in September, will include the employment of a system of radiation detection devices to monitor the export or import of radioactive materials into or out of the KSA.

-- A fourth initiative is a GCC-shared remote sensing satellite to provide intelligence, a USD \$500 million project called "Hudhud" and led in Saudi Arabia by a Brigadier General of the Ground Forces. To date only three of the

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GCC,s six members (Qatar, the UAE, and the KSA) are participants.

ENERGY INFRASTRUCTURE SECURITY

¶22. (S/NF) In response to the February 2006 attack on the Abqaiq refinery, the SAG has re-energized efforts to improve an already-extensive energy infrastructure protection (EIP) program. The MOI has requested a long-term USG partnership in developing, managing, and implementing a total systems solution to improve security at Saudi Arabian petroleum facilities, including deploying a new MOI security force and

mounting up a training academy.

¶23. (S/NF) In July 2006, SAG authorized 35,000 new full-time positions to staff an MOI Facility Security Force (FSF), of which it plans to hire 12,000 personnel within one year. In response to SAG requests, the USG coordinated two Oil Field Survey Consultation visits by Diplomatic Security physical security and blast experts and regulatory experts from the Department of Energy, to Saudi Arabia in July 2006. The team visited and reviewed existing procedural and physical security at key petroleum infrastructure sites, including the Abqaiq oil processing facility, the Qatif pipeline junction, and the Ras Tanura port facility. They advised on programs/systems to secure the facilities, structuring security for survivability in the face of multiple attacks, implementing credible emergency response, and enabling rapid recovery systems in the event of an attack. The team made a number of specific security recommendations that the MOI and national oil company ARAMCO are working to implement. As part of this EIP effort, the MOI, the National Guard and Saudi Aramco are exploring the purchase of helicopters for detecting and interdicting attacks on oil installations.

¶24. (S/NF) Our energy security cooperation with the SAG, now formalized in a Joint Security Working Group, promises to significantly enhance U.S. and international energy security for the long-term. We are currently awaiting Saudi suggestions for a chair, mandate and working parameters of the JSWG. We have also queried the SAG whether it would prefer to enter into a formal written agreement on the JSWG, or operate on an informal basis. After the end of Ramadan holiday, we plan to engage the Ministry of Interior more deeply on the JSWG. We are also awaiting Washington guidance on the extent of USG personnel resources to be made available to the JSWG.

REGIONAL ISSUES

Iran

¶25. (S/NF) The King continues to express his concern about Iranian influence in Iraq and the region in general -- especially Iranian attempts to develop nuclear weapons. Foreign Minister Saud Al-Faisal recently said that the Iranians are carrying out a strategy that was articulated as far back as the 1970,s. He also indicated that Iran would model its pursuit of nuclear capabilities on North Korea. There is concern that any U.S. action against Tehran would result in retaliation against U.S. interests in the region -- specifically, Saudi Arabia,s oil infrastructure. However, although Saudi leaders are very worried about nuclear proliferation, there is a perception of a double standard in U.S.-driven pressure against Iranian nuclear weapons development, and the SAG has argued instead for a nuclear-free Middle East that would include Israel and Hezbollah.

¶26. (S) Despite these concerns, Nawaf Obaid, a private security and intelligence consultant, who is currently Managing Director of the private sector Saudi National Security Assessment Project (SNSAP) and a longtime advisor to Prince Turki al-Faisal, told Ambassador on October 9 that Iran may not be as big a threat as previously thought. According to Obaid, Iran is stretched economically in part due to its pursuit of nuclear capabilities.

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Syria

¶27. (S) During this summer's Lebanon crisis, a rift developed between Saudi Arabia and Syria. SAG leaders have made

negative, less-than-subtle statements in the press about Syria, chastising it for its role in the Lebanon crisis and ties to Iran. The rift continues to grow, exacerbated by Syrian President Bashar Al-Assad's August speech in which he reportedly referred to Arab leaders who failed to support Hezbollah as "half-men." During the September 12 meeting with Ambassador Khalilzad, the King indicated that the Syrian "problem" is secondary to Iran, that where Iran goes, Syria will follow. However, SAG officials have been clear that Syria can not be discounted as a regional force, even though it has degraded both economically and politically and effectively marginalized itself with its single party system.

Lebanon

128. (S) The SAG faced significant criticism -- both internally and externally -- resulting from the public's perception of the SAG's close ties with extremely unpopular U.S. policies towards Israel, Lebanon, Hezbollah, and the Palestinians. The SAG walked back from its early public position on Lebanon in the face of this criticism, choosing to focus instead on Muslim unity and its position as the center of Arabism. There remains a strong undercurrent of support among the Sh'ia population in the Eastern Province for Hezbollah, however to some extent the SAG still blames Hezbollah for the damage to Lebanon.

129. (S) Although there was some concern that the Siniora government did not move quickly or decisively enough in the aftermath of the Lebanon crisis, the SAG has indicated that it is now generally pleased with the progress Lebanon is making in rebuilding. SAG officials have also emphasized the necessity of training and equipping the military, noting progress in this regard as well.

Hamas

130. (S) SAG officials have said that the Israeli/Palestinian conflict continues to be the linchpin of regional politics. There has been some renewed discussion by the Saudis of the Arab Peace Initiative, which was crafted by King Abdullah when he was Crown Prince. According to both the King and Foreign Minister Al-Faisal, Hamas has not acted in the best interests of the Palestinian people, nor has it convinced them that it can -- or would -- govern in their best interests. The King has pointed to the recent clashes between Palestinian security forces as an example of Hamas, unreasonable behavior and stated that this "extremism" prevents any forward movement. However, the Saudis also point out that Israel's continued "aggression" gives Hamas the excuse it needs to continue on its current path.

----- VISA ISSUES -----

131. (C) In early August, Post discovered several student visa applicants had presented forged Saudi scholarship program award letters with their visa applications. Officials at the Ministry of Higher Education have agreed that instead of sending us easily forged letters we will receive a list of all students who have been awarded Saudi government scholarships in this year's program, obviating the need for such letters.

132. (SBU) Consulate General Dhahran began limited non-immigrant visa processing in September for visa referrals, as well as business facilitation cases from Saudi Aramco and the petrochemical sector. Volume has averaged 10-15 cases per week, and is expected to go higher later this year as Consulate staff become more familiar with the visa systems and a new consular officer arrives at post.

133. (SBU) Riyadh and Dhahran became the third and fourth pilot posts to begin collecting ten fingerprints from all visa applicants at the end of September. We made no public announcement of this change, and so far have received no negative feedback from applicants. At the end of October, we

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plan to begin checking all 10-print collections against the
FBI,s IAFIS fingerprint database, along with the other two
pilot posts.
OBERWETTER